

BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
1998 Biennial Regulatory Review - -)	
Streamlined Contribution Reporting)	CC Docket No. 98-171
Requirements Associated with)	
Administration of Telecommunications)	
Relay Services, North American)	
Numbering Plan, Local Number)	
Portability, and Universal Service)	
Support Mechanisms)	

REPLY COMMENTS OF LORAL SPACE & COMMUNICATIONS LTD.

Loral Space & Communications Ltd. ("Loral"), by its attorneys, submits these reply comments with respect to the Notice of Proposed Rulemaking and Notice of Inquiry issued in the above-referenced proceeding.¹ Loral supports the Commission's efforts to streamline its existing rules and policies. However, as commenters such as USTA have noted², the exemption certifications at the end of the proposed combined contribution Form 499 must be clarified. Specifically, these exemptions need to be changed to reflect that non-common carriers are not required to contribute to the LNP or NANP funds.

¹ In re 1998 Biennial Regulatory Review - - Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Notice of Proposed Rulemaking and Notice of Proposed Inquiry, FCC 98-233, CC Docket No. 98-171 (rel. September 25, 1998) ("NPRM").

² See Comments of USTA at 4.

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The NPRM seeks to streamline contributor reporting requirements associated with administration of telecommunications relay services (TRS), the North American Numbering Plan (NANP), local number portability (LNP) and universal service support mechanisms. To do this, the FCC proposes to consolidate the reporting requirements for these four funds into one unified data collection worksheet (Form 499).

For those entities not required to contribute to all of the funds, the Form provides several "check boxes" so that entities can certify that they are exempt from making contributions to certain funds. However, the certifications of exemption at the end of the form are narrower than the legal exemptions to the requirements to contribute to each of the funds. Specifically, Form 499 includes a certification which, if checked, indicates that the reporting entity is exempt from contributing to the TRS fund because it derives all revenue from providing private carrier services.³ However, there is no similar certification with respect to the LNP and NANP funds, despite the fact that entities (non-common carriers) which derive all revenue from providing private carrier services are not required to contribute to these funds.⁴ Stated another way, the form suggests that non-

³ Proposed 1999 FCC Form 499 at line 414. This result is consistent with 47 C.F.R. § 604.604(c)(4)(iii)(A). "[R]ecovering interstate relay costs from all common carriers who provide interstate service on the basis of their interstate revenues will accomplish [the purposes of Section 225]." Telecommunications Relay Services and the Americans with Disabilities Act of 1990, *Third Report and Order*, 8 FCC Rcd. 5300 at ¶ 12 (1993).

⁴ See 47 U.S.C. § 251(e) and 47 C.F.R. §52.32, §52.17.

common carriers with private carrier revenue must contribute to the LNP and NANP funds.⁵

Such a result would be contrary to the enabling statutes for these funds and the Commission's Rules. Like TRS, only "telecommunications carriers" (common carriers) are required to contribute to the LNP and NANP funds.⁶ In the Telecommunications Act of 1996, Congress required that "[t]he cost of establishing telecommunications numbering administration arrangements and number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission."⁷ In the *Local Competition Second Report and Order*, the Commission implemented Section 251(e) of the Act by requiring all "telecommunications carriers" to contribute to the cost recovery for numbering administration.⁸ Similarly, in the *LNP Cost Recovery Order*, the Commission adopted rules, pursuant to Section 251(e), to allocate among all "telecommunications carriers" the shared costs of regional databases.⁹ So, while the

⁵ A similar inconsistency can be found on Figure 1 to the Instructions for Form 499 at p. 6.

⁶ See 47 U.S.C. § 251(e) and 47 C.F.R. §52.32, §52.17.

⁷ 47 U.S.C. § 251(e)(2) (emphasis added).

⁸ Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Second Report and Order, 11 FCC Rcd. 19392, 19541 (1996). This result is codified at 47 C.F.R. § 52.17. See also FCC Form 496 (NANPA Funding Worksheet).

⁹ Telephone Number Portability, Third Report and Order, 13 FCC Rcd. 11701 (1998). This result is codified at 47 C.F.R. § 52.32.

law and the rules are quite clear, the proposed Form 499 is ambiguous in this regard.

The NPRM and the Form 499 and its instructions, for the most part, recognize that only "telecommunications carriers" need contribute to TRS, LNP and NANP.¹⁰ Entities not required to contribute to certain funds need not complete those portions of the Form.¹¹ However, the language of the proposed certifications of exemption is narrower in scope than the proposed Form's instructions, the Commission's substantive rules dealing with who must pay into the funds,¹² and the Telecommunications Act. Therefore, the TRS certification box on Form 499 which exempts entities that are not "telecommunications carriers" should be

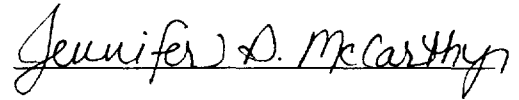
¹⁰ FCC Form 499 Instructions at 1, 8 (refers to private carriers and shared tenant service providers and states that "[s]uch entities need not contribute to local number portability, TRS or NANPA"), 12, 30 (discusses universal service obligations and notes that "reporting entities are exempt from other contribution requirements if they do not operate as common carriers"). Conversely, "all telecommunications carriers providing interstate telecommunications services, providers of interstate telecommunications that offer interstate telecommunications for a fee on a non-common carrier basis," etc. must contribute to the universal service fund. Id. at 1.

¹¹ The instructions for Form 499 expressly state that telecommunications providers that are not required to contribute to LNP support, the TRS fund or the NANPA should not complete that block of the form. FCC Form 499 Instructions at 25, 27.

¹² See 47 U.S.C. § 251(e) and 47 C.F.R. §52.32, §52.17.

changed so that such entities may certify that they are also not required to contribute to LNP and NANP.¹³

Respectfully submitted,



Stephen R. Bell
Jennifer D. McCarthy
Willkie Farr & Gallagher
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20036
(202) 328-8000

Counsel for Loral Space &
Communications Ltd.

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¹³ Figure 1 to the instructions at p. 6 should also be conformed and clarified.